custodial and transactional processing services for the participant with respect to the participant's certificated securities. The proposed services will consist, among other things, of processing and accepting physical deposits of certificates, processing the physical withdrawal of certificates, and providing incidental services in connection thereto. Book-entry movements of deposited securities will not be permitted.[3]

Under the proposal, MSTC will provide all custodial and transactional processing services on a negotiated basis with its participants. MSTC will not be obligated to enter into such contracts with any participant, and if it chooses to enter into such a contract with any participant, it will not be obligated to enter into a contract with similar terms with any other participant.

## II. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder and more specifically with the requirements of Section 17A(b)(3)(F).[4] Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions. The Commission believes that MSTC's service is consistent with this obligation.

MSTC's new service will provide custodian, transaction processing, and related data-entry services with respect to participants' certificated securities. Participants have been experiencing a continual decline in their activity associated with the processing of physical securities primarily due to the increase in book-entry eligibility of securities at the clearing agency level. Many participants no longer find it desirable to maintain their own custodial operations. As a result, MSTC has been requested to provide such custodial and processing services as part of MSTC's operations.

The Commission believes that MSTC's proposed rule change should help to minimize inefficient procedures employed by individual participants by concentrating these operations in one centralized facility. As a result, the individual participants will be able to eliminate their own custodial operations and the high fixed costs associated with them while maintaining the required safeguarding of these securities.

## III. Conclusion

For the reasons stated above, the Commission finds that MSTC's proposal is consistent with Section 17A of the Act[5] and the rules and regulations thereunder.

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,[6] that the proposed rule change (File No. SR–MSTC–94–12) be, and hereby is, approved until October 1, 1995.

For the Commission of the Division of Market Regulation, pursuant to delegated authority.[7]

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95–10788 Filed 5–1–95; 8:45 am]

BILLING CODE 8010–01–M

---

**[Release No. 34–35650; File No. SR–NYSE–95–08]**

## Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to Listed Company Relations Proceedings

April 26, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 3, 1995, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of new Rule 103C concerning procedures relating to initiation and conduct of a review of the relationship between a listed company and its specialist organization. The text of the proposed Rule 103C is attached as Exhibit A.

### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to adopt new Rule 103C (Listed Company Relations Proceedings) to provide its listed companies and specialist units with a procedure for resolving non-regulatory issues that may arise between them. The Exchange believes that the relationship between a listed company and its specialist unit is a significant one.

Specialist units work to foster and promote sound mutual understanding and effective communications with their listed companies, but situations may occasionally arise in which one or both sides cannot easily resolve differences with respect to non-regulatory issues. Such issues might include, for example, misunderstandings with respect to the frequency and adequacy of communications between a company and its specialist unit. Proposed new Rule 103C contains a formal procedure by which a listed company could make a written notification (known as an ''Issuer Notice'') to the Exchange's New Listings and Client Services Division of its desire to commence a proceeding to mediate and resolve such issues. The Exchange's Quality of Markets Committee (''QOMC''), a Board of Directors level committee, would be responsible for oversight of the Listed Company Relations Proceeding (''LCRP'') through a subcommittee consisting of the two Exchange vice-chairmen, a senior Exchange official, and two listed company representatives, all of whom would be appointed from the QOMC membership. This subcommittee would work with the listed company and the specialist unit through written submissions and meetings designed to produce an action plan with specific steps for resolution of the matter. At regular intervals of three, six and nine months, the subcommittee would work with the parties to resolve their issues. The listed company could conclude the LCRP at any time during the process if it believed that matters had been satisfactorily addressed.

---

[3] Letter from George T. Simon, Foley & Lardner, to Jonathan Kallman, Associate Director, Division of Market Regulation, Commission (January 23, 1995).

[4] 15 U.S.C. 78q–1(b)(3)(F) (1988).

[5] 15 U.S.C. 78q–1 (1988).

[6] 15 U.S.C. 78s(b)(2) (1988).

[7] 17 CFR 200.30–3(a)(12) (1994).

If matters were not resolved at the end of one year from the commencement of the LCRP, the listed company could formally request a reassignment of its stock to another specialist unit. The subcommittee would prepare a recommendation to the QOMC as to whether it is appropriate to reassign the stock. The QOMC would review the recommendation and give the parties an additional opportunity to present their views in writing. It would then make a recommendation to the Exchange's Board of Directors. The Board could also afford the parties an opportunity to present their views in writing. The Board would then determine whether the stock should be reassigned. If the stock were to be reassigned, the Board would direct the Exchange's Allocation Committee to reallocate it. The then current specialist unit and the unit of any specialist member of the Board would not be permitted to apply for allocation of the stock. Proposed Rule 103C also provides that no reference to the LCRP or the Board's action would be retained in the information maintained by the Allocation Committee regarding the then current specialist unit. The rule further provides that the specialist unit subject to a reallocation would not be afforded any preferential treatment in subsequent allocations as a result of a reallocation pursuant to the rule.

2. Statutory Basis

The basis under the Act for the proposed rule change is the requirement under Section 6(b)(5) that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The adoption of Rule 103C is consistent with these objectives in that it would enhance the Exchange's ability to foster closer relationships between its specialists and their listed companies.

*B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

The Exchange has neither solicited nor received written comments on the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the publication of this notice in the **Federal Register** or within such other period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve the proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and coping at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NYSE. All submissions should refer to File No. SR–NYSE–95–08 and should be submitted by May 23, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

**Exhibit A—New Rule 103C: Listed Company Relations Proceedings**

(a) A listed company may file with the New Listings & Client Service Division a written notification (''Issuer Notice''), signed by the company's chief executive officer, that it wishes to commence a proceeding whereby the Quality of Markets Committee (''QOMC'') shall attempt to mediate and resolve non-regulatory issues that have arisen between the company and its assigned specialist unit. The Issuer Notice shall indicate the specific issues sought to be mediated and resolved, and what steps, if any, have been taken to try to address them before the filing of the Issuer Notice.

(b) The QOMC shall refer the Issuer Notice to its Listed Company Relations Subcommittee (the ''Subcommittee'') which shall consist of two listed company members of the QOMC, as well as a senior officer and two vice-chairmen of the Exchange, provided these individuals are also members of the QOMC. The Subcommittee shall review the Issuer Notice and shall notify the subject specialist unit that a Listed Company Relations Proceeding (''LCRP'') is being commenced pursuant to this rule, and that the LCRP shall run for one year from the date of notice to the specialist unit, unless concluded earlier by the listed company. The specialist unit shall be provided with a copy of the Issuer Notice, and shall be given two weeks within which to submit a written response to the Subcommittee.

(c) After the two-week period for a response from the subject specialist unit, the Subcommittee shall meet with representatives of the listed company and the specialist unit that are parties to the LCRP, and shall identify specific steps that may be taken to mediate and resolve matters indicated in the Issuer Notice.

(d) The parties to the LCRP shall each submit a written report to the Subcommittee no later than three months from the date the LCRP is commenced with respect to all matters indicated in the Issuer Notice, and any other matter that either party believes may have a bearing on the LCRP. The listed company may give written notice that it is concluding the LCRP at any time if it believes matters have been satisfactorily addressed. If the listed company wishes the LCRP to continue, it must so state. After receiving the written reports from the parties to the LCRP, the Subcommittee shall then advise the QOMC, as appropriate. The Subcommittee may meet further with the parties to the LCRP, and identify such other specific steps that may be taken to resolve matters, as it deems appropriate. The same process shall be followed at six and nine month intervals from the date the LCRP is commenced, unless the listed company has chosen to conclude the LCRP.

(e) At the end of one year from the commencement of the LCRP, the listed company shall, in writing, either (i) inform the Subcommittee that it wishes to conclude the LCRP; or (ii) inform the Subcommittee that matters between it and its specialist unit remain unresolved, and that it wishes that its stock be assigned to a different specialist unit. The Subcommittee shall prepare a report to the QOMC recommending either that (i) the LCRP should be concluded; or (ii) that the listed company's stock should be assigned to a different specialist unit.

(f) The QOMC shall review the report prepared by the Subcommittee and shall give the parties to the LCRP an opportunity to present their views in writing. The QOMC shall then make a recommendation to the Exchange's Board of Directors as to the disposition of the LCRP, including a recommendation as to whether the listed company's stock should be assigned to a different specialist unit.

(g) The Exchange's Board of Directors shall review the QOMC's recommendation and may give the parties to the LCRP an

opportunity to present their views in writing. The Board of Directors shall then determine the appropriate disposition of the LCRP, and may, if it deems such action to be in the best interests of the Exchange, direct that the Allocation Committee reallocate the listed company's stock to a different specialist unit. The currently-assigned specialist unit and the member organization of any specialist member of the Board of Directors shall be precluded from applying to be allocated the stock. No reference to the LCRP or the Board's action shall be retained in the information maintained by the Allocation Committee with respect to the currently-assigned specialist unit, and the currently-assigned specialist unit shall not be afforded preferential treatment in subsequent allocations as a result of a reallocation pursuant to this rule.

[FR Doc. 95–10789 Filed 5–1–95; 8:45 am]

BILLING CODE 8010–01–M

## DEPARTMENT OF STATE

**[Public Notice 2195]**

### Advisory Committee on International Law; Meeting

A meeting of the Advisory Committee on International Law will take place on Thursday, May 18, 1995, from 2:00 to approximately 5:00 p.m., as necessary, in room 1207 of the United States Department of State, 2201 C Street, N.W., Washington, D.C. The meeting will be chaired by the Legal Adviser of the Department of State, Conrad K. Harper, and will be open to the public up to the capacity of the meeting room. The meeting will focus on the establishment of an international criminal court and possible United States Government involvement in genocide cases before the International Court of Justice, as well as review of other current developments in international law.

Entry to the building is controlled and will be facilitated by advance arrangements. Members of the public desiring access to the session should, prior to May 17, 1995, notify the Office of the Assistant Legal Adviser for United Nations Affairs (telephone (202) 647–6771) of their name, Social Security number, date of birth, professional affiliation, address and telephone number in order to arrange admittance. The above includes government and non-government attendees. All attendees must use the ''C'' entrance. One of the following valid IDs will be required for admittance: any U.S. driver's license with photo, a passport, or a U.S. Government agency ID.

Dated: April 20, 1995.

**Bruce C. Rashkow,**

*Assistant Legal Adviser for United Nations Affairs; Executive Director, Advisory Committee on International Law.*

[FR Doc. 95–10689 Filed 5–1–95; 8:45 am]

BILLING CODE 4710–08–M

## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

### Final Order Amending Certain Tentative Findings Contained in an Earlier Order to Show Cause Order 94–10–5, Dated October 6, 1994

We are publishing the order in its entirety as an appendix to this document.

**DATES:** Issued in Washington, D.C. April 26, 1995.

**EFFECTIVE DATE:** April 26, 1995.

**FOR FURTHER INFORMATION CONTACT:** Dennis DeVany, U.S. Department of Transportation, Office of Aviation Analysis, X–53, Room 6407C, 400 7th Street, S.W., Washington, DC 20590 (202) 366–1061.

**Patrick V. Murphy,**

*Acting Assistant Secretary for Aviation and International Affairs.*

**Appendix**

[Order 95–4–38; Docket 49814]

Waivers for Regional/Commuter Carriers from Certain Service Termination Notice Requirements; Final Order Granting Waiver

By Order 94–10–5, October 6, 1994, the Department tentatively established criteria for granting waivers to regional/commuter carriers from the notice provision of the Federal Aviation Administration Authorization Act of 1994 (Public Law 103–305). That law requires carriers to file a 45-day notice of their intention to suspend service at FAA-designated nonhub communities. However, it also instructed the Department to establish terms and conditions under which regional/commuter carriers were to be exempted from the notice requirement.[1]

Order 94–10–5 proposed that the notice requirement should be waived for regional/commuter carriers under either of two scenarios: first, if the affected community would continue to receive scheduled service with jet aircraft; or second, if the affected community would continue to receive scheduled service from at least two other regional/commuter carriers. Thus, in situations where reasonable levels of capacity would remain in the form of at least one jet operator or at least two regional/commuter carriers, no 45-day notice would have been required.

The Regional Airline Association (RAA) has responded to Order 94–10–5 on behalf of its members. According to the RAA, the legislative history of Public Law 103–305 clearly suggests that the notice requirement is aimed at jet service, particularly at the 27 nonhubs for which the Department has not established essential air service determinations.[2] The RAA contends that, if the Department's proposed waiver criteria were finalized, the effect would be the creation of notice obligations at many nonhubs that are served exclusively by regional/commuter carriers. The RAA concludes that our proposed criteria would thus shift the main burden of the requirement from major carriers providing jet service at a small number of nonhubs, as intended by Congress, to many regional/commuter carriers serving numerous small communities throughout the country.

We agree with the RAA that our proposed criteria were unnecessarily narrow. The legislative history of Public Law 103–305 indicates that the focus of Congress's concern was the abrupt loss of jet service at nonhubs for which we have not established essential air service determinations. Moreover, communities for which we have established determinations already enjoy the protections of the more stringent 90-day notice requirement and hold-in provisions contained in 49 U.S.C. 41734; application of the new 45-day notice in such cases would therefore be superfluous.

Under these circumstances, we conclude that regional/commuter carriers should be subject to the 45-day notice requirement of Public Law 101–305 only at communities for which the Department has not established an essential air service determination. We will therefore grant a waiver from the notice requirement to regional/commuter carriers serving nonhubs for which the Department has established a determination. In the latter cases, however, carriers should be mindful that they remain subject to the more stringent essential air service provisions contained in 49 U.S.C. 41734.

The appendix to this order contains the nonhubs to which the 45-day notice requirement continues to apply. We would stress, however, that this list is likely to change over time. Some communities may grow from nonhubs to small hubs while others shrink from small hubs to nonhubs, or we could ultimatey establish determinations for some communities that currently have none.

*Accordingly,*

1. We grant a waiver from the 45-day notice requirement contained in the Federal Aviation Administration Authorization Act of 1994, Public Law 103–305, to all regional/commuter carriers insofar as it would apply to service at nonhub communities for which the Department has established essential air service determinations;

[1] P.L. 103–305 defines ''regional/commuter carriers'' as (a) all Part 135 carriers, and (b) Part 121 carriers whose operations consist entirely of service with aircraft with 70 or fewer passenger seats. An FAA-designated ''nonhub'' is a community that accounts for less than 0.05 percent of all revenue enplanements in the nation—less than 234,157 enplanements during calendar year 1993, the most recent year for which data are available.

[2] The Appendix lists the 27 nonhubs at issue.